

Austerity urbanism: Patterns of neo-liberalisation and resistance in six cities of Spain and the UK

Jonathan S Davies

De Montfort University, UK

Ismael Blanco

Universitat Autònoma de Barcelona, Spain



Environment and Planning A
2017, Vol. 49(7) 1517–1536

© The Author(s) 2017

Reprints and permissions:

sagepub.co.uk/journalsPermissions.nav

DOI: [10.1177/0308518X17701729](https://doi.org/10.1177/0308518X17701729)

journals.sagepub.com/home/epn



Abstract

This paper explores neoliberalisation and its counter-currents through a six-case study of austerity urbanism in Spain and the UK. Applying Urban Regime Theory it highlights the role of urban politics in driving, variegating and containing neoliberalism since the 2008 crash. Variegated austerity regimes contribute to strengthening neoliberalism, but with limits. Welfarism survives austerity in felicitous circumstances. And, where contentious politics thrive, as in Spain, it holds out the potential for a broader challenge to neoliberalism. In contrast, austerity regimes in the UK cities are strongly embedded. The legacies of past struggles, and differing local and regional traditions form an important part of the explanation for patterns of neoliberalisation, hybridization and contestation.

Keywords

Austerity, neoliberalism, regime, resistance, urban

Introduction

The relationship between austerity, neoliberalism and the governance of cities has been a source of intense debate since the 2008 crash. This paper offers a fresh perspective through a comparative analysis of austerity urbanism in Spain and the UK. Applying urban regime theory (Stone, 2015), the paper explores how austerity governance shapes the operational matrices of urban politics from the standpoint of neoliberalism and its counter-currents (Peck, 2012: 626). We report a study of six cities: Barcelona and Lleida (Catalonia), Madrid (Community of Madrid), Donostia (Basque Country), Cardiff (Wales) and Leicester (England).

Our central argument is that that variation in multi-scalar urban austerity regimes tends to strengthen neoliberalism in both Spain and the UK. In other words, the common ground

Corresponding author:

Jonathan S Davies, De Montfort University, Leicester, LE1 9BH, UK.
Email: jsdavies@dmu.ac.uk

among diverse governing arrangements is their efficacy in cutting public sector budgets, rolling back public services and exposing citizens to the chill winds of market competition. However, where contentious politics are entrenched, as in the regionalised political cultures of Spain, they weaken the foundations of neoliberal austerity, creating a potential base for broader regime change. Moreover, regional variation in Spain is such that it poses questions about where the conceptual limits of neoliberalism should be drawn (Le Gales, 2016).

We proceed in four steps. The paper first discusses contrasting perspectives on neoliberalism, and explains our approach to regime analysis. It then discusses the project methodology. We proceed to develop a thematically structured discussion of the six case studies. We finally develop an inductive comparison of the 'powers and liabilities' of urban austerity regimes (Ward, 2010: 480) and consider the implications of our analysis for understanding neoliberalism and further adapting regime theory. The paper concludes with eight propositions to inform future studies of austerity urbanism.

Neoliberalism and austerity

The nature of neoliberalism has generated much controversy in urban theory. At the end of one continuum, it is the dominant hegemonic project of late capitalism (Anderson, 2000). At the other end, it is a signifier inducing paranoia, whose substance vanishes when we decide to think and act differently (Gibson-Graham, 2006). Encapsulating the globalist position, Anderson (2000: 7) described neoliberalism as 'the most successful ideology in world history'. As evidence of its ubiquity, Streeck and Mertens (2013) argued that discretionary spending on public goods is everywhere declining, even in Nordic social democracies (also Crouch, 2011: 21), while a steadily increasing proportion of government resources are tied to 'fixed' costs. Gramscian studies, similarly, conceive it as a hegemonic project with globalising reach, though it is spatially differentiated and enmeshed with structural contradictions (Davies, 2012).

Theorists of neoliberalism as a phase of capitalist development argue that it drives global convergence through *inter-alia* the growing power of corporations and the expansion of market logics through the attempt to annihilate anachronistic cultural political economies, notably clientelism and welfarism (Streeck, 2011), and the amplification of contradictions across ever-more interdependent and intensively competitive territories. Judgments about its success vary, and urban scholarship is highly sensitive to geo-political variety, captured in the notion of 'variegated neoliberalisation' developed by Peck et al. (2013). However, in these literatures the singular 'neoliberalism' captures the dominant meta-logic, governmentality, thought collective, hegemonic project and crisis-driver of the 21st century (Dean, 2014).

There have been multiple challenges to this framing. For example, literatures influenced by post-structuralism reject totalizing accounts. Bevir and Rhodes (2010: 82) captured the zeitgeist, stating that the goal of de-centred research is to 'challenge the craving for generality'. They called 'for the study of local practices, in ways that recognise the multiple logics at play in different conjunctures, and the spaces such ambiguities and "messiness" open up for different forms of situated agency'. Blanco et al. (2014: 3129) concurred that exploring the messiness of urban politics would advance descriptive, analytical and diagnostic precision. It might also advance the normative-performative cause of disclosing sanctuaries, points of rupture, new solidarities and harbingers of a revitalised 'political' (Arapatzi, 2016; Dikeç and Swyngedouw, 2017).

Sceptics of 'neoliberalism' cite three differentiating trends. First, it does not exist in pure form, nor could it (Hayter and Barnes, 2012). Nowhere have neoliberalising

regimes translated objectives unambiguously into outcomes. Libertarians argue, for example, that by supporting welfare spending, imposing minimum wages, raising taxes, printing money and bailing out banks, Europe has delivered a pale and inauthentic version of austerity – an empty political slogan of politicians falsely claiming the mantle of fiscal rectitude.¹

Second, and relatedly, governmental agencies and local authorities invariably moderate neoliberalism, notwithstanding ideological commitments. Spatial and scalar differentiation is conspicuous in countries, like Spain, with asymmetrically powerful regional political economies (Parés et al., 2014). Even in the UK, where local political autonomy remains limited, municipalities and regions respond differently to austerity by varying spending priorities, cultivating institutional resilience or accentuating retrenchment (Lowndes and McCaughey, 2013). Moreover, local states are porous and complex entities, where adulterated neoliberalism is further diluted (or concentrated) as it percolates through tiers of government, sectors, agencies, policy arenas, neighbourhoods and political parties. Urban neoliberalism comprises a ‘fundamentally polyvalent,’ inherently diverse, array of technologies, practices and outcomes (Ferguson, 2010: 174).

Third, anti-austerity activists contest neoliberalism through the mix of traditional struggles on the streets and in workplaces, and ‘new urban activisms’ cultivating practical solidarities from the wreckage of welfarism (Arampatzi, 2016; Walliser, 2013). For Leitner et al. (2007), the encounter between neoliberalism and its antagonists is a key determinant of variegation and hybridisation.

Collectively, these literatures problematize totalising claims about neoliberalism by qualifying, hybridizing, pluralising or altogether de-constructing it. Castree (2006: 2) observed, for example, that it ‘only ever exists in articulation with actors, institutions, and agendas that immediately call into question whether a thing called “neoliberalism”, however carefully specified can be held responsible for anything’. Relatedly, Le Gales (2016) argues that the notion of ‘variegation’ stretches the undoubtedly useful concept of ‘neoliberalism’ too far, failing adequately to distinguish it from ‘liberalism’ and ‘global capitalism’. Studied closely, the dominant neoliberalism averred by Marxists, Gramscians and economic institutionalists loses at least some of its force.

Because they are often rooted in competing ontologies linked to critical realism and post-structuralism, perspectives on totalising and divergent neoliberalism(s) tend to talk past one another (Varro, 2015). We avoid perpetuating this dualism by conceiving convergence and divergence in relational terms, instead of as opposites. Convergence in one sphere, or on one terrain, may strengthen divergence in another, and vice-versa. We study spatio-temporally complex dynamics of convergence and divergence through a regime-theoretical lens, focusing on the capabilities and limitations (powers and liabilities) engendered by austerity governance and its antagonists (Ward, 2010: 480).

Urban regime theory

Stone’s seminal study of regime politics in Atlanta (1989) argued that governing requires state and non-state actors to build coalitions around congruent interests. The distinctiveness of regime analysis is that regime building requires effort and cannot be deduced from positions or imputed interests. It depends on the capacity of actors to form coalitions able to ‘pre-empt’ the governing agenda and mobilise resources to deliver it. Regime theory thus downplays the ‘social control’ model, for a social production model. It privileges ‘power to’, where pragmatic actors have to build alliances if they are to get things done. Regime formation and maintenance is contingent on this process.

Regime theory generated a vast, disputatious literature. Marxists criticised it for eliding the contradictory nature of capitalism, the conspicuous dominance of business in American urban life and the deep multi-scalar interdependencies between state and capital (Davies, 2011; Jessop, 2002). Meanwhile, comparativists debated whether regime theory could usefully be applied outside the US, given that European municipalities were financed mainly by higher tiers of government and public taxes, and did not require direct corporate consent to their goals in order to raise revenues (see Blanco, 2015; Davies, 2003 for contrasting perspectives). Nevertheless, for good or ill, this concept stretching turned regime theory into a flexible tool for understanding different kinds of governing coalition in highly varied local settings. Stone's own perspective evolved. He reflected that his earlier work had focused too much on the city-business nexus and neglected civil society (Stone, 2009). Nevertheless, he re-asserted the core principles of regime analysis (Stone, 2015: 103):

The guiding tenet in inner-core regime analysis (its "iron law") is that for any governing arrangement to sustain itself, resources must be commensurate with the agenda being pursued ... A companion proposition is that for any substantial and sustained agenda, a stable coalition is needed to provide the necessary resources.

The advantage of this parsimonious formulation is twofold. It lends itself to flexible, heuristic interpretations of regime politics and provides a simple benchmark for comparing otherwise diverse cases: what alliances are forged among which actors, mobilising what resources in pursuit of which goals? Our study poses this question in relation to the rollout and contestation of austerity urbanism in Spain and the UK. Our approach shows how regime politics adds momentum to or, contains, processes of neoliberalisation through austerity governance.

Methodology

We report research in four Spanish cities, Barcelona, Lleida, Madrid and Donostia and two UK Cities, Cardiff and Leicester, undertaken between autumn 2013 and summer 2015. Anglo-Spanish comparisons of austerity urbanism are instructive, because of the juxtapositions of similarity and difference they offer. The governments of both countries adopted austerity after the 2008 crash, with different drivers and intensities.² At the same time the histories and traditions of Spain and the UK diverge quite dramatically, notably in territorial politics. Variations in regional and municipal autonomy are significantly greater in Spain than in the UK, and these variations mediate austerity. We selected the cases primarily to encompass regional differences between the Basque Country, Catalonia and Madrid in Spain, and two British 'country-regions' of England and Wales. The project incorporated one case in the Basque, Madrid, England and Wales regions, and two in Catalonia (Barcelona and Lleida) in order to highlight intra-regional comparisons and contrasts.

Sensitive to the complexity of urban political economies, we did not follow traditional comparative methodologies, for example in relation to specified 'most similar' or 'most different' characteristics. Instead, we opted for a de-centred approach, allowing local researchers to elicit key points of inquiry in each city, anchored by a problematic common to Spain and the UK. In the 1990s and 2000s, intellectuals, policy makers and activists across much of Europe were enthused by the potential of urban coalitions between state and civil society actors for solving complex collective action problems, joining-up government and reviving participatory democracy (e.g. Stoker, 2004). It was in this period that urban regime theory became influential outside the US, as a medium of studying coalition politics (e.g. Lawless, 1994). In assessing the governing capacity of austerity

regimes, we therefore delve into the politics of collaboration, which contributes to diagnosing the characteristics of austerity governance and its implications for neoliberalisation. Accordingly, we organise the case study data thematically (Blanco and Subirats, 2008), discussing: the context of urban austerity, tactics and strategies of key actors, trends in participatory governance, contentious politics and regime continuity and change.

The team applied one semi-structured questionnaire across the six cases, translated as appropriate, from English (the common project language) into Basque, Catalan and Spanish. Each city-based team conducted a total of 25 interviews across three phases, through snowball sampling. We undertook content analysis of the qualitative data based on topic guide themes, and conducted research design and comparison at team meetings. This was a case-centred study, meaning that each research team conducted a pilot study to elicit the most important terrains of collaborative governance for further research. This approach resulted in diverging empirical foci. However, the anchoring in a common problem enabled us to bring the case studies into meaningful comparative conversations with one another (Robinson, 2011) and make cautious inductive generalisations to urban theory. The full case study reports can be read at (<https://transgob.net>). We include touchpoints to the underlying data for each case in the discussion below. The cross-case comparison is summarised in Table 1.

Contextualising urban austerity governance

Following the crash of 2008, Spain and the UK introduced a raft of austerity measures: public spending cuts shrinking the welfare state, marketization, tax cuts for businesses and intensified workfare. Municipal finance in Spain reflects the uneven distribution and scaling of powers in a system of asymmetrically autonomous regions developed to contain nationalist sentiment, notably in the Basque and Catalan regions (Gallego and Subirats, 2012). Municipalities (themselves endowed with asymmetric powers), agencies, regions and national government control different urban functions. The spatial impact of austerity varied dramatically for these reasons, as we explain below.³

As part of its austerity drive, Spain enacted new fiscal centralisation measures. To meet EU requirements following the €41 billion bank 'rescue' in 2012, the national Budgetary Stability Law first introduced in 2007 was tightened, and in 2013 a new law imposed further spending controls, making it all but impossible for municipalities to compensate for falling revenues through deficit financing or public debt.⁴ Municipalities, in any case, had little control over welfare state policies (health, education and social services) on which austerity is imposed from above the city.

Urban governance in the UK is a scalar mess, after policy experimentation and restructuring over decades; a defining characteristic of neoliberalism. Scotland, Wales and the North of Ireland established 'regional' parliaments in the late 1990s, each with different powers. Police, health services, education, welfare, housing, planning and economic development operate at different scales across asymmetric territories controlled by a variety of departments, agencies and quangos, over which city government has uneven, sometimes negligible, control. UK municipalities are compelled by law to deliver austerity and they have no control over welfare reform. They may spend reserves, but deficit budgeting is prohibited. Municipalities have even less room for manoeuvre than in Spain.

Although regional differentiation is nowhere near as dramatic as in Spain the pace, focus and intensity of austerity varies in the UK. For example, the formula used by the

Table 1. Patterns of austerity urbanism in Spanish and UK cities.

| | Barcelona | Lleida | Madrid | Donostia | Cardiff | Leicester |
|------------------------------------|--|---|---|---|--|---|
| Austerity strategies and tactics | Full neoliberal repertoire, limited social protection. Centralisation by national government, social policy cuts by regional tier. | Austerity delayed. Clientelism, Catholic social protection ethos. | Full neoliberal repertoire, feeble social protection. Centralisation by national government, social policy cuts by regional tier. | Limited austerity with regional fiscal autonomy. Maintain public welfare, post-conflict reconciliation and participation. | 'Clear red water' but also austrian realism: nationally mandated cuts, cut without fuss, rationalise to protect services, mitigate social impact, involve communities. | Austrian realism: nationally mandated cuts, cut without fuss, rationalise to protect services, mitigate social impact, involve communities. |
| Growth Strategies | Branding, tourism, culture, prestige investments. | Knowledge economy, liveability | European City – tourism, sport, culture, investment, metropolitansation | Mega-projects. Multiple failures. Sense of crisis. | City branding, tourism, culture. | Incipient growth strategy – tourism, culture, sport. |
| Trends in Participatory governance | Diminishing political salience of 'Barcelona Model': elites circumvent, activists mobilise. | Clientelistic regime weakening as traditional alliances fail. Social care tradition strengthened. | Little change. Marginal credibility and low impact to start with. | Participatory turn in the context of left nationalist mandate and reconciliation. | Institutionalised, but enhanced managerialism. Marginal to policy and politics, significant for austerity management. | De-institutionalised at city-scale. Marginal to policy and politics, significant for austerity management. |
| Contentious politics | Strong and durable, linked to struggle for representation and practical solidarities. | Weaker than Barcelona/ Madrid, more political weight than before M-15. | Strong and durable, linked to struggle for representation and practical solidarities. | Mild in the context of mild austerity and national struggle. | Weak: episodic protests, some co-production initiatives – self-help. | Weak: episodic protests, some co-production initiatives – self-help. |
| Regime trajectories | Catalan social democratic hegemony diminished, anti-austerity forces strengthened. Regime change possible? | Clientelistic social democratic regime fragmenting as political base erodes. Regime decline. | Conservative hegemony diminished, anti-austerity forces strengthened. Regime change possible? | Governance rooted in post-conflict optimism: growth, welfare, participation. | Labour realpolitik dominates: Internally fractious but durable governing strategy. Stable austerity regime. | Labour realpolitik dominates: durable governing strategy. Stable austerity regime. |

UK government to set the budget for Wales created a time lag, meaning that Cardiff was not hit hard by austerity until three years after Leicester. After the 2014/15 Welsh Assembly budget, a think-tank commented that it was 'time to put away the manicure scissors and reach for the scythe'. In Leicester, the City Council's revenue grant was projected to have fallen by 63% between 2011 and 2020.⁵ The politics of austerity urbanism are enmeshed with the multi-scalar configurations of the state in both countries.

Governing strategies and tactics

Barcelona was hit hard by the 2008 crisis, though to a lesser extent than Catalonia or Spain as a whole and far less dramatically than Madrid. Amid rising discontent, the Partit del Socialistes de Catalunya (PSC) was ousted in 2011 after 32 years in power, by a conservative nationalist coalition led by Xavier Trias. Barcelona accumulated a large budget deficit between 2009 and 2011 but by 2013, Mayor Trias had engineered a surplus of €139 million by squeezing municipal spending. In addition to slashing wages and mass redundancies, he raised taxes, fees and charges and held a fire sale of municipal assets (for example Port Vell), privatising services, infrastructure and public space. Trias owned the textbook neoliberal policy of surplus budgeting. He also accelerated the urban boosterism entrenched in municipal policy since the 1992 Olympics (Blanco, 2008). In 2013, for example, he launched the Barcelona Nautical Cluster, a partnership between the City, the Port Authority and 35 companies and public institutions, unashamedly to promote the city as one of the world's leading destinations for super-yachts.⁶

Lleida is a fraction of the size of Barcelona (around 1/10), but an important centre for services and communications in Catalonia. Lleida's politics have been dominated by the PSC for nearly 40 years, notably through two Mayoral regimes built around the personalities of Antoni Siurana (1979–1987 and 1989–2003) and Àngel Ros (2004–present). While committed to redistribution, the tone of local politics was, unlike Barcelona, small-c conservative, infused with the cultural influences of Catholicism. The full force of austerity hit Lleida later than Barcelona, partly due to the resilience of municipal revenues and agricultural rents, and partly because the initial impact fell on seasonal migrant labour. With municipal spending stable between 2007 and 2011, the Mayor was able to mute any sense of crisis. However, spending was cut dramatically between 2011 and 2013, with the city mired in debt. One official said Lleida had since been 'completely overwhelmed' by the social impact of austerity.

Like other PSC and PSOE mayors, Ros pursued boosterist policies, marketing Lleida as a modern, attractive place to live and work. However, tying his reputation to sustained growth undermined the Mayor's capacity to connect with emerging anti-austerity currents, contributing to the erosion of his power base in the neighbourhoods. An activist commented, 'I do not think the mayor does inclusive social policies. I think they want to do things, and do them well, but at the expense of the social organizations, and without a budget, too. On the other side, they want to do great public works with very high budgets. This is where we have the conflict'.

Madrid was hit exceptionally hard by austerity. When the bubble burst, years of speculation combined with the fiscal squeeze to leave the city holding 17.7% of all municipal debt in Spain, though fewer than 7% of citizens live there. Both the city and region of Madrid were longstanding conservative (Partido Popular) and aggressively boosterist strongholds, creating a powerful enabling regime for austerity urbanism. Many tens of thousands of people lost their homes to foreclosure, leading Human Rights Watch to condemn the government for failing to protect its citizens.⁷ For more than a decade, Madrid

sought to position itself as a 'global city'. Despite the crisis and speculative debt, it continued to do so under Mayor Ana Botella (2011–2015), launching its third successive Olympic bid, for the 2020 Games (De la Fuente, 2015). At the same time, the Regional Community of Madrid launched the Madrid 'EuroVegas' project, a vast suburban gambling complex for which it offered the developer sweeteners, including a massive cut in gaming tax.⁸ However, both projects failed: the Olympic bid was rejected in part because of the City's precarious financial position, while Eurovegas collapsed in the face of the 'Stop Eurovegas' campaign, uniting historic adversaries on the left and in the Catholic Church. Juxtaposed with severe retrenchment, these developments accentuated a widespread sense of failure in the global city project.

Donostia (San Sebastian) is situated in the Basque Country. Unlike other cities, minority government is the norm. The left-nationalist BILDU coalition took office in 2011, with conservative nationalists assuming power in 2015. The Basque region was not immune to the crisis, and suffered a GDP contraction similar to that of Spain as a whole (Standard and Poor's, 2014). However, the financial situation in Donostia deteriorated far less dramatically after 2008 than in our other cities. It avoided major cuts to municipal budgets and services and maintained social protection supported by longstanding regional policies, such as the minimum income guarantee and taxes on empty property, which dis-incentivise foreclosure.

The primary explanation for this exceptional case lies in Donostia's financial good fortune. The Basque Country is the wealthiest region of Spain, and enjoys the greatest budgetary autonomy. It is exempt from the national fiscal equalisation scheme, retaining control over all tax revenues. In felicitous geo-political, economic and budgetary conditions, Donostia sustained its redistributive social policy, in juxtaposition with successful city branding. Since the formal end of ETA's armed struggle in 2011, the city has enjoyed a 'peace dividend', culminating in the award of European Capital of Culture for 2016.

Cardiff, the capital of Wales, is a Labour Party stronghold. In the context of tight Westminster control over regional finances, post-devolutionary Wales sought to sustain 'clear red water' with English Blairism⁹ embracing the legacies of social democratic welfarism. These commitments were reflected in collectivist policies denied to English counterparts, such as free medical prescriptions. Otherwise, Cardiff operates within the doctrine of 'austrian realism', where cuts are implemented in a spirit of realpolitik due to statutory constraints and for lack of any perceived political alternative (Davies and Thompson, 2016). Cardiff's governance strategies are oriented to coping with, managing and mitigating austerity through rationalisation, efficiency savings and up-scaling functions such as economic development. Cardiff markets itself as 'a world class European capital city' with an 'exceptional quality of life' at the 'heart of a competitive city region'. This competitive city region discourse lent momentum to the rationalisation and metropolitanisation of local economic development (Pill and Guarneros-Meza, 2017).

Leicester is of similar size to Cardiff, but occupies an inferior position in urban hierarchies. It too is a Labour stronghold. In 2011, it established the office of City Mayor, occupied by the influential figure of Sir Peter Soulsby. Leicester figures prominently in national deprivation indices, with high structural unemployment coupled with in-work poverty and low household incomes.¹⁰ The city's approach is consistent with 'austrian realism'. As one councillor put it, 'We are not happy making cuts but we cannot set an illegal deficit budget. If we do Eric Pickles will simply come in and take over the running of the council'.¹¹ At the same time, Leicester City Council (LCC) sought to mute any sense of crisis through diligent management of the cuts programme and trying to mitigate the worst effects. One councillor explained the approach arguing, 'drama and conflict aren't in the best interests of the city'.

In a development that seemed improbable only a few years ago given its ‘collective inferiority complex’ at that time (Councillor), Leicester has recast itself as an entrepreneurial city. It is rolling out growth and investment strategies, with the goal of becoming a ‘confident and competitive city’. It has developed policies for tourism, sport, urban living, creative industries and a cultural quarter. These developments are in part a response to austerity, catalysed by the City Mayor and boosted by the discovery of King Richard III’s remains and most recently Leicester City’s Premier League triumph in 2016.

Trends in participatory governance

Public participation has been central to the so-called ‘Barcelona Model’ since the 1980s, rooted in the city’s social democratic and cooperative traditions. An elaborate participatory structure is built into the institutions of city governance (Blakeley, 2005; Blanco, 2015). The research pointed to two distinct circuits. Economic development policy was elite-focused and mostly insulated from public influence (despite an escalating campaign against the negative impact of tourism), exemplified by the nautical cluster and its celebration of extreme wealth. The ‘social policy’ circuit was more open, including a wide range of voluntary and community groups incorporated through an extensive participatory infrastructure linked to the Barcelona Model, including the Municipal Council of Social Welfare and Citizen Agreement for an Inclusive Barcelona. Although activists argued that participatory mechanisms have ‘neither social legitimacy nor executive capacity’, they sought to defend them against rationalisation. However, institutional layering under Trias distanced the participatory apparatus from political decision-making. At the same time, the rise of contentious politics (discussed below) meant that the participatory infrastructure was of diminishing importance for activists too.

The clientelistic relationship between the Mayor and neighbourhood associations was, for decades, the most important site of dialogue between city and citizens in Lleida underpinning Mayoral authority through the exchange of electoral support for funding and status. A local militant observed, ‘In Lleida there is a serious “bossism” (caciquisme). The city hall controls the neighbourhoods through the neighbourhoods associations’. However, the influence of neighbourhood associations was declining due to disengagement among younger people, eroding both the activist base and political currency.

The moral element of Lleida’s governing tradition came to the fore in collaborative responses to austerity, rooted in the enduring influence of Catholicism. In 2013 nine Catholic social care bodies combined to create a Christian Network of Social Organizations. These were important partners for local and regional authorities in managing the dispossessions of austerity. Lleida’s participatory traditions were thus inflected with both clientelistic and moralistic qualities, the former starting to fade and the latter coming to the fore under austerity.

Whereas the Barcelona model institutionalised political participation, and Lleida clientelism with moral obligation, Madrid accentuated strong leadership and weak participation. Participatory structures never acquired great institutional weight. For example, as one activist put it, working class neighbourhoods had long rejected ‘futile instruments of participation, due, (to a large extent) to the indifference, or even malevolence of the President Councillor’. As part of its post-crisis retrenchment, the City further curtailed neighbourhood governance mechanisms and concentrated power in the Mayoralty. Anti-austerity activists did not think the rollback of participatory structures mattered, however. As one commented, they were ‘empty of relevance’ to start with.

The 1990s and early 2000s saw an explosion of participatory governance in the UK, driven from the top-down by New Labour. Local Strategic Partnerships (LSPs) across the country were charged with coordinating public sector activity and enrolling community and voluntary groups into extensive participatory bureaucracies (Geddes et al., 2007). Cardiff and Leicester followed this blueprint, with local variations. After devolution, the Welsh Assembly established the neo-corporatist 'three thirds' model (Bristow et al., 2008). The Cardiff Partnership operationalized the three-thirds model, institutionalising public, private and third sector engagement. The infrastructure was maintained throughout austerity, but the politics changed. For example, the city council was trying to cultivate a business mentality among third-sector partners through 'results based accountability'. A council official said: 'They have to prove their business case and they've got some really good evidence now in terms of the benefits of time banking, but where I think they're weak is the lack of the business model ... I can't promote their business model because I don't see the efficiencies coming out of it as getting bigger'.

Respondents in Leicester took a dim view of institutions from the New Labour period. On assuming office, Sir Peter Soulsby dismantled the LSP bureaucracy, using his authority as City Mayor to cultivate a more informal approach centred on his leadership. These changes were not directly linked to austerity, but they made sense in that context by equipping the city with a more agile decision-making process. Like Cardiff, our research showed that collaborative mechanisms in Leicester were moving towards an increasingly managerial focus on competitiveness and results-based accountability. One voluntary sector respondent commented of the increasingly competitive funding environment, 'we try not to be overtly critical' because 'we are paid by the local authority for a number of our services'. Respondents agreed that participation influenced the distribution of cuts, but was marginal to determining austerity policies.

The experience of participatory governance in Donostia differed, with a variety of new initiatives rolled out after the election of BILDU in 2011. These developments were inflected by complex locality factors. First, no party had enjoyed an electoral majority in Donostia in the preceding 20 years even though it had only one Mayor during this time, Odón Elorza of the Basque Socialist Party, the *Partido Socialista de Euskadi* (PSE). The national conflict had inhibited the development of a participatory culture, but at the same time weak municipal government created incentives for a more inclusive approach, leading to new participatory initiatives. Donostia's successful bid for European Capital of Culture lent further impetus. After 2011, BILDU developed a participatory model rooted in neighbourhood assemblies, including participatory budgeting and local referenda. According to one official, the goal was 'to generate a political culture and from there focus action on participation'. Legacies of the independence struggle made plurality and inclusivity difficult, but respondents thought spaces of mutual recognition and understanding were developing.

Contentious politics

The centre of activist gravity in Barcelona shifted from participation to resistance after the crash. The protests of 15 May 2011 (15-M) transformed the political environment. The *Plataforma de Afectados por la Hipoteca* (PAH) housing campaign to defend citizens from foreclosure and eviction became perhaps the most influential movement. In Barcelona, where PAH was born, it operates 'in and against' the state through confrontation, negotiation and practical support for debtors and foreclosure victims (De Weerdt and Garcia, 2016). The PAH organises throughout Spain and is an excellent example of a movement rooted in urban activism rising to the national stage.

Alongside the insurgency, Barcelona witnessed an explosion of 'new urban activisms' (Walliser, 2013) including cooperatives, food and clothes banks, community gardens and social enterprises (Blanco et al., 2016). These spaces remain deeply entwined with and dependent on the political energy of the post-15M movement, and they can have an impact. For example, activists forced the municipality to give up some parcels of marketable land for community use.

Though on a smaller scale than Barcelona, 15-M had begun to alter the political landscape in Lleida. The Lleida branch of the PAH was typical insofar as it combined pragmatism in responding to evictions with insurgent and practical solidarities. As in Barcelona and Madrid, the occupation of empty property was popular and forced concessions from Ros. Protestors were also subject to repression, as police cleared the 15-M camp by force shortly after the municipal election of 2011. Ros denied complicity and blamed regional officials. There was some evidence of consolidation among anti-austerity activists in Lleida. For example, local organisations involved in the defence of public services (the so-called *marea* or tides) joined together in forming an Assembly for the Defence of Public Services.¹² However, these forces were not strong enough for an electoral breakthrough in May 2015.

As in Barcelona, mobilization in Madrid shifted towards insurgency after 15-M and the occupation of Plaza del Sol. The principal legacy has been the lessons drawn by activists, nourishing rebelliousness and experimentalism. Since 15-M, Madrid has been the terrain of myriad anti-austerity protests and movement building and has witnessed a 'renaissance' of new urban activisms, uniting around the electoral coalition, Ahora Madrid.

Relations between anti-austerity activists and the city government were ambivalent. On the one hand, Madrid tolerated and sometimes promoted the appropriation of empty buildings – even trying to recuperate the urban art of insurgents to the tarnished 'global city' brand. On the other hand, it took a confrontational stance towards militancy by La PAH and the *marea*. Practical solidarities were tolerated and even encouraged until they overstepped political boundaries, leading to repression.

The Basque Country has a strong tradition of political organisation linked to the national struggle. Respondents suggested that the conflict deflected potential activists from anti-austerity work, meaning that the impact of 15-M was much weaker in Donostia, even when relatively benign economic circumstances are taken into account. Donostia was not immune to the foreclosure crisis and PAH had a presence in the city, as did civil society organisations carving out solidarity spaces. In September 2012, there was a Basque-wide general strike against the national austerity government. However, the post-conflict spirit of reconciliation, regional fiscal autonomy, and relatively mild impact of the crash were cited as reasons why anti-austerity politics had been muted.

Until the 1980s, the UK had a strong organized Labour movement. The decimation of manufacturing industries and the defeat of trade union struggles to defend them seriously eroded that culture. Defeats inflicted in the Thatcher era continue to cast a shadow over the political landscape, reflected in the 'austrian realism' of Labour municipalities (Davies and Thompson, 2016). The unions have not recovered, and movements rooted in 'new urban activisms' have not developed to a great extent. The cultures of protest in Cardiff and Leicester were weak by historic British and current European standards.

At the same time, there have been energetic attempts to protect public services, for example a campaign to resist privatisation led by Cardiff Civic Society. However, the impulse to resist austerity also tended to be channelled downscale into 'resilience' and 'co-production'. Cardiff's Community First programme sought to cultivate community management of increasingly threadbare services and facilities. Local activists were

conflicted about this. As the Chair of Cardiff Civic Society put it, there is a 'moral question about allowing more and more of the land that was given for public use to be used for commercial purposes'.¹³ However, co-production was accepted as a last defence against full commercialization, occupying a nebulous space between neoliberal self-help and contentious politics (Gregory, 2015).

As in Cardiff, Leicester's protests have been mostly small, including recurrent street demonstrations, public meetings and occupations against service cuts and welfare reforms.¹⁴ However, the city was perceived to lack the rebellious culture of previous generations, recalled by older respondents. Memories of defeat inflicted by the Thatcher government continued to mute any appetite for a more confrontational approach within LCC (reflected in the remark about Eric Pickles quoted earlier). Some thought that people not caught in the welfare trap had not been badly hit, and that citizens were far less active than in previous decades. Said one councillor of the cuts, 'a lot of them are happening almost without a squeak.' There had not been the 'howls of protest' that they anticipated. Moreover, 'for most people most of the time, this doesn't affect them very much. For most people, life goes on'. Like Cardiff, LCC was starting to rollout co-production initiatives, notably the Transforming Neighbourhood Services programme of asset transfers and service mergers. This was deemed important for mitigating austerity and protecting services, and posed similar questions to those being asked in Cardiff about the boundaries between self-help, participation and resistance.

Regime continuity and change?

In three cities, Barcelona, Madrid and Lleida, the attrition of longstanding municipal orders highlighted the potential for broader regime change. In Cardiff, Donostia and Leicester, for diverging reasons, governing arrangements were durable. The prospects for regime change were greatest in Barcelona and Madrid. In May 2015 founder member of the PAH, Ada Colau, acceded to the Mayoralty through the Barcelona en Comu coalition. From a base in inter-linked protests, negotiations and practical solidarities, the anti-austerity movement won an important foothold in government (11 out of 45 council seats). The Podemos-backed Ahora Madrid coalition propelled Manuela Carmena to the Mayoralty, taking 31% of the vote (second place) and winning 20 of 57 seats.

At the same time, the right retains considerable power and influence in both cities through networks of economic actors, banks, the media and regional authorities. Respondents in Barcelona highlighted, for example, how national media, which never paid much attention to local politics, now works on behalf of pro-austerity elites by trying to destabilise the anti-austerity coalitions (a point made in conservation). In other words, the governance of Barcelona and Madrid can be depicted as a struggle between municipal anti-austerity coalitions and allied social movements on the one hand, with regional and national authorities, media and corporate elites arraigned on the other.

Lleida is the third city in which the traditional governing alliance is failing. The legitimacy of the Mayoral regime rested on its capacity to provide strong continuous growth, low unemployment and side-payments to the neighbourhoods. But in the 2015 municipal election, amid growing public disillusionment and a rising chorus of criticism, the PSC lost half its seats falling to a minority position of 8 out of 27. Lacking a formal coalition and with diminishing political capital in the neighbourhoods, Ros must now negotiate support on an issue-by-issue basis. In the absence of a clear alternative to the old clientelistic regime, political inertia seemed the most likely medium-term outcome.

On the other hand, there was little sign that the dominant governing regimes of Cardiff, Leicester or Donostia were vulnerable. Both Cardiff and Leicester had stable 'austerean realist' regimes, political cultures in which national government sets the rules, no mainstream social actor refuses austerity and resistance has little direct impact. The impact of Brexit on austerity urbanism in the UK remains to be seen, but the aftermath of the referendum has seen no slow-down in municipal retrenchment. Donostia was again the 'outrider' case, accentuating regime continuity but for very different reasons. Further bucking trends elsewhere in Spain, it voted in a Conservative coalition in May 2015 led by Mayor Eneko Goia of the Basque Nationalist Party (PNV), with support from the PSE. While implications for participatory governance were unclear as the study concluded, the new coalition did not immediately signal a change in Donostia's broad social and economic strategy. Party political churn appeared less significant than traditions associated with coalition government, welfarism and, more broadly, Basque political economy.

Austerity, neoliberalisation and governability

The research points to five ways in which austerity governance has driven variegated neoliberalisation. First, it suggests that where they are rolled out, austerity measures have been expedited straightforwardly, without significant impediment. With the exception of Donostia, public welfare has been dramatically scaled back and city-dwellers bear the costs. The realm of the market is duly extended. In this sense, austerity urbanism is a powerful driver of 'rollback' neoliberalism, 'the active destruction or discreditation of Keynesian-welfarist and social-collectivist institutions' (Peck and Tickell, 2002: 37).

Second, all six cities were attempting to deliver growth strategies commensurate with their (perceived) status in urban hierarchies. These strategies are themselves an important facet of austerity urbanism insofar as they intensify competitiveness, divert resources from public goods into speculative endeavours and increase public debt. They are interpreted, without exception in our sample, as the only viable way forward for cities, regardless of other political commitments. However, our most significant finding was that with the exception of Eurovegas in Madrid, anti-austerity activists did not exercise leverage over local economic development policy through either participatory governance or resistance (Blanco, 2015). Such influence was generally confined to the 'social policy' arena. Whether the anti-austerity Mayoralties can change this pattern remains to be seen.

Third, lacking other powers, all six municipalities engaged in sometimes-conflictual alliances with the third sector and anti-austerity activists, to ameliorate the crises of reproduction unleashed by austerity. These practices invoke a variety of non-neoliberal traditions, including social democratic rights, national identities, clientelism and religious obligation, juxtaposed with neoliberalisation through austerity. With the exception of Donostia, where social-democratic welfarism remained intact, they were flanking mechanisms to otherwise relentless retrenchment (Jessop, 2002).

Fourth, and relatedly, there were many examples of what Walliser (2013) called 'new urban activisms' in Spain. These practices synthesised neoliberal self-help, sometimes facilitated by municipalities, with recalcitrant and transgressive claims on public space and public goods. The latter kind was prominent in Barcelona and Madrid, provoking both concessions and repression after 15-M. Here, we discern neoliberalisation in a mutative form. On the one hand, citizens were given far greater exposure to the market. On the other hand, where resistance was well organised some costs were passed back to the state, always in the shadow of repression. In the UK, contentious politics remain muted for reasons still closely linked to the legacies

of industrial collapse and union defeats in the 1980s. In Cardiff and Leicester, co-production veered closer to 'self-help' than resistance (Gregory, 2015).

Finally, the dominant tone in the sphere of participatory governance was retrenchment. Given the distinct traditions in each city, retrenchment played out in different ways and in different arenas, diminishing both the political energy invested in participation and its social efficacy. This trend was reflected in the decreased political salience accorded to participatory institutions by both elites and activists. It was most notable in Barcelona given the long-established tradition of social partnership in that city. Moreover, the functional utility of collaboration for austerity management and the role of the third sector as a partner in delivering austerity have become more apparent in the UK context of 'austrian realism'. We found no evidence that participatory governance influences major political decisions about austerity, or that policy questions are addressed through sustained and meaningful public engagement. Trajectories in participatory governance were thus exemplary of broader patterns of neoliberalisation, and of de-politicisation. The exception, Donostia, brings retrenchment in the other cities into sharper focus. It suggests that a collaborative culture is more likely to flourish in conditions of relative abundance and social optimism than in retrenchment and struggle.

Powers and liabilities: Governing urban political (dis)orders

Patterns and variations in austerity governance capacity are linked most immediately to the scalar and territorial hierarchies of the Spanish and UK states. Above all, the study lends weight to the insight that cities and regions are 'institutional forcefields' producing convergence, differentiation and hybridisation in patterns of austerity urbanism and mediating top-down neoliberalisation in significant ways (Peck et al., 2013: 1093). In Spain, patterns of neoliberalisation differed in the first instance, though not exclusively, because of regional economic, political and administrative configurations linked to the national questions in the Basque Country and Catalonia. The devolved regional structure, combined with the renaissance in cooperative and insurgent traditions, enabled Spanish activists to extend movements rooted in the city outwards and upwards, arriving on the national stage via Podemos and the United Left. Urbanism is at the heart of contentious politics in Spain. The strength of these traditions is an important explanation for the diminishing political grip of austerity on Barcelona, Lleida and Madrid. At the same time, comparing Barcelona and Lleida highlights the importance of urban political economies within the regional context. With the PSC in precipitous decline in both cities, Barcelona and Lleida differed along multiple lines of economic structure, political tradition and civil society culture. Local traditions mediated the politics and temporalities of austerity, exemplified by the church-influenced social care tradition in Lleida and the insurgent and cooperative traditions in Barcelona.

Notwithstanding economic variations and temporal differences, regional effects were weaker in Cardiff and Leicester. Differences in the tonalities of 'austrian realism' were subtler, relating for example to the durability of collaborative institutions established in the New Labour period and the tempo of cuts. Austerity has been largely interiorised into the logics, assumptions and everyday practices of state and non-state actors through the combination of strong central direction, weak regionalism, weak contentious politics and the dependency culture of municipality on centre. Accordingly, austerity regimes were far more durable than in Spanish cities. The exception is our counter-factual case of Donostia.

The significance of Donostia is that given concentrations of wealth, a strong economy and propitious regional settlement, a social democratic welfare regime remains viable. Austerity

and neoliberalisation have been contained, running against the grain of national policy. Following Le Gales (2016), we see Donostia as a case that tests the conceptual limits of ‘variegated neoliberalism’. The city positions itself as an entrepreneurial actor within a competitive urban order, one facet of neoliberal urbanism. Yet, the signature of neoliberalism under austerity is welfare state retrenchment. In the unique configuration of Basque regional political economy, social-democratic welfarism remained largely intact, underpinned by new participatory initiatives. For this reason, we suggest that ‘variegated welfarism’ better captures the distinctiveness of Donostia. This conclusion should not be interpreted as a celebration of the autonomy of urban politics under austerity. It is possible only because the Basque Country is wealthy and does not contribute to Spain’s fiscal equalisation scheme. It is rather suggestive of a zero sum game, where what is good for Donostia is bad for Madrid. Regional effects transfer the costs of austerity from one city to the other.

The case of Donostia and its dependence on the Basque model reminds us that city government is but one factor in an urban order consisting in multiple centres of economic and political power. Embryonic regime change in Barcelona and Madrid does not necessarily herald a rupture with austerity, or the emergence of a decisively post-neoliberal conjuncture. Nor have pro-austerity elites exhausted the capacity to pre-empt urban governing agendas, particularly in relation to governmental functions beyond the control of municipalities. Regime politics play a vital role in managing and deflecting crises through cultivating austrian realism, mobilising strategic alliances, projecting governing competence (Lleida and Madrid perhaps the exceptions), deflecting blame, enrolling civil society, providing side-payments and bargaining with insurgents: all in the shadow of fiscal centralisation, retrenchment and repression. Spanish municipalities have been seriously weakened under austerity, leaving them with little control over vast terrains of public action. How far activists in Barcelona and Madrid can translate elected office into broader anti-austerity politics capable of mobilising further governing resources across multiple policy arenas, including economic development, remains to be seen.

This final point calls for reflection on how regime theory could be better adapted for the study of austerity urbanism. Our perspective on how local configurations produce different syntheses of submission, adaptation and contestation of neoliberalism points to three modifications. First, austerity governance does depend on coalition building through persuasion, negotiation and bargaining around resource inter-dependency (power to). However, it also rests on hierarchy, coercion and administrative diktat (power over) (Davies, 2012, 2014). This is to suggest that studying the capacity to govern requires a broader perspective on power than is characteristic of regime-theoretical research, but nevertheless follows Stone’s iron rule.

Second, regime theory has tended to focus on a limited terrain of urban politics around city government, local business elites and, more recently, civil society (Stone, 2009). Our research demonstrates that it is impossible to make sense of austerity urbanism without contemplating how multi-scalar politics – international, national, regional and municipal – converge in the city and delimit its powers. A broader perspective provides a more sensitive lens for analysing governing capacity, where ‘local state’ encompasses all governmental and quasi-governmental agencies situated within the city/metropolis, and having the city/metropolis as their main concern (Magnusson, 1985).

Third, our study suggests that privileging governing coalitions leads regime theory to overlook the impact of resistance not just in the form of eruptions, but as a durable facet of urban political life. Just as neoliberalism shapes the character of urban resistance (Mayer, 2016), so resistance influences the capacity of austerity regimes to enact their agendas.

Where this occurs, resistance can usefully be construed as denuding neoliberal regimes of governing capacity and as co-constitutive of regime outcomes.

Conclusion

We conclude with eight propositions to inform research into the relationship between regime politics, austerity urbanism and the neoliberalisation of cities.

- (1) *Variegated multi-scalar austerity regimes are powerful drivers of neoliberalisation.* These are differentiated in culture, politics, scaling and economic circumstance, but effective in delivering austerity mandates through the repertoire of neoliberal strategies and tactics. Austerity regimes weaken welfarism, paternalism and clientelism, though none of these modalities has disappeared, and extend the market. Thus, neoliberalism does not disappear when studied close-up (Castree, 2006), but comes clearly into focus.
- (2) *Variegated 'neoliberalisms' therefore tend to strengthen 'neoliberalism'.* Local variegation strengthens neoliberalism as a dominant hegemonic project, through multiple overlapping circuits, alliances, scalings and modalities of power: (a) the political circuit concatenating the strategies and tactics of different spheres of the state, mobilising the inter-related repertoires of *power to* and *power over* to roll back the public domain and extend markets; (b) a largely insulated economic circuit organised around city leaders and corporate interests to brand and market the city; and (c) a social circuit interiorising alliances and conflicts among local officials, the community and voluntary sectors and anti-austerity activists. This circuit is marked by the retrenchment of participatory governance.
- (3) *Austerity urbanism erodes participatory cultures and practices.* If the rhetoric and structures of participatory governance remain from the heyday of the 1990s and 2000s, political energy, investment and commitment have nevertheless dissipated under austerity. Elites and activists marginalise participatory institutions, as participatory practices tend to be subsumed by neoliberal logics. Our research suggests that participatory governance is more likely to flourish in 'good times', when investment is high, public services robust and political commitment strong.
- (4) *Not all configurations of urban governance can be subsumed into the category of variegated neoliberalism.* Our outlier case of Donostia demonstrates that in propitious circumstances, a strong culture of participatory welfarism can survive in juxtaposition with vigorous entrepreneurialism. Mindful of Le Gales (2016) injunction not to overstretch neoliberalism, this peculiar 'fix' might be called 'variegated welfarism'. We contend that welfare state retrenchment is so fundamental to neoliberalism that the term is misapplied where this element is missing. Delimiting variegated neoliberalisation in this way arguably lends the concept a sharper analytical edge.
- (5) *The capacity of austerity regimes diminishes where contentious politics is well organised and durable.* Contentious politics are capable of overlapping or intruding into the three circuits of power described in point 2, challenging and disrupting neoliberalism on the ground. Longstanding governance traditions of Barcelona, Lleida and Madrid have begun to unravel after years of neoliberal austerity and social upheaval. However, even in cities with anti-austerity Mayors, the scale of transformation should not be exaggerated, or the tasks of radicalisation under-estimated. Relatedly, the strength of anti-austerity movements is a determinant of how far mobilisations against rollback neoliberalism signify the strengthening of self-help or the emergence of authentically contentious politics.

(6) *The Legacies of scalar and sectoral struggles are crucial determinants of 'power to' under austerity.* The severity of the Spanish crisis, historic national questions, spatial compromises and traditions of militant – and military – struggle all inflect the trajectories of austerity urbanism. Contentious politics, particularly in Barcelona and Madrid, has disrupted conventional inter-scalar relations. In Lleida, with no emergent alternative, the decline of clientelism potentially undermines the governability of the city. Donostia shows that the tides of austerity and neoliberalism can be held back by a felicitous regional configuration of economic circumstances, fiscal and political authority. In the UK, the solidity of municipal austerity regimes makes sense only in the context of the country's centralised political tradition, local culture of dependency and continuing weakness of the trade unions in the long shadow of Thatcherism.

(7) *Stone's iron rule of regime politics provides a useful framework for comparing diverse case studies of austerity urbanism.* However, a better appreciation of how governance capacity is mobilized and sustained requires adaptations to the regime approach. First, attention must be given to all modalities of 'power to' and 'power over' in producing governing capacity. Second, the constitutive role of resistance in determining governing capacity must be recognized. Third, regime analysis must be sensitive to the multi-scalar character of the local state: how every governmental agency operating in the city, and having the city as its main concern, influences the capacity to govern it.

(8) *Urban politics has a national impact.* In the 21st century, political emancipation is highly unlikely to be accomplished at the scale of the city (Brenner and Schmid, 2015). Progressive regimes might be viable in felicitous circumstances, but whether they can mobilise the resources required for a comprehensive break with neoliberalism, at what scale, remains to be seen. Nevertheless, the study shows cities to be critical actors in setting the tone for national and international politics. For all these reasons, further studies of austerity urbanism and its antagonists will prove very fruitful as we approach the 10th anniversary of the crash.

Acknowledgements

We are indebted to the TRANSGOB team for their outstanding work on this project. The team, led by Dr Ismael Blanco, is listed at <https://transgob.net/team/>. Special thanks go to Ramon Canal, Mercè Cortina-Oriol, Rosa De La Fuente, Valeria Guarneros-Meza, Vivien Lowndes and Imanol Telleria for detailed comments.

Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) disclosed receipt of the following financial support for the research, authorship, and/or publication of this article: the Spanish Government's Ministry of Economy and Competitiveness, under its National Development Plan (Ref: CSO2012-32817). The UK Economic and Social Research Council also funded research in Barcelona and Leicester: *Collaborative Governance under Austerity: An Eight-case Comparative Study* (Ref: ES/L012898/1), led by Professor Jonathan Davies. See <http://www.dmu.ac.uk/ESRCAusterity>.

Notes

1. <https://mises.org/journals/fm/February2013.pdf>.
2. Austerity here refers to government spending cuts, welfare state retrenchment and measures to enhance competitiveness/entrepreneurialism.
3. http://cincodias.com/cincodias/2015/07/01/economia/1435747610_668960.html.
4. http://economia.elpais.com/economia/2014/05/23/actualidad/1400866762_388393.html.
5. <https://www.leicester.gov.uk/media/180719/general-fund-revenue-budget-2016-17.pdf>.
6. <https://www.forbes.com/sites/joanneshurvall/2016/10/27/oneocean-port-vell-barcelona-home-of-the-superyacht/#21ebd60975c3>.
7. <https://www.hrw.org/report/2014/05/27/shattered-dreams/impact-spains-housing-crisis-vulnerable-groups>.
8. http://elpais.com/elpais/2012/12/03/inenglish/1354540705_180096.html,
9. Former First Minister Rhodri Morgan, cited at <http://news.bbc.co.uk/1/hi/wales/2565859.stm>.
10. <https://www.nomisweb.co.uk/reports/lmp/la/1946157130/report.aspx?town=leicester>.
11. Eric Pickles MP is former Secretary of State for Communities and Local Government.
12. <http://serveispublicsleida.wordpress.com/>.
13. <http://www.walesonline.co.uk/news/local-news/llandaff-fields-campaigners-consider-taking-4066470>.
14. <https://twitter.com/BBCLeicester/status/512586314127245312>.

References

Anderson P (2000) Renewals. *New Left Review* 1: 1–20.

Arampatzi A (2016) The spatiality of counter-austerity politics in Athens, Greece: emerging urban solidarity spaces. *Urban Studies*. Epub ahead of print 3 February 2016. DOI: 10.1177/0042098016629311.

Bevir M and Rhodes RAW (2010) *The State as Cultural Practice*. Oxford: Oxford University Press.

Blakeley G (2005) Local governance and local democracy: The Barcelona model. *Local Government Studies* 31(2): 149–165.

Bristow G, Entwhistle T, Hines F, et al. (2008) New Spaces for Inclusion? Lessons from the ‘Three-Thirds’ Partnerships in Wales. *International Journal of Urban and Regional Research* 32(4): 903–921.

Blanco I (2008) Does a “Barcelona Model” really exist? Periods, territories and actors in the process of urban transformation. *Local Government Studies* 35(3): 355–369.

Blanco I (2015) Between democratic network Governance and neoliberalism: A regime-theoretical analysis of collaboration in Barcelona. *Cities: The International Journal of Urban Policy and Planning* 44: 123–130.

Blanco I and Subirats J (2008) Social exclusion, area effects and metropolitan governance: A comparative analysis of five large Spanish cities. *Urban Research & Practice* 1(2): 130–148.

Blanco I, Cruz H, Martínez R, et al. (2016) El papel de la innovación social frente a la crisis. *Ciudad y Territorio. Estudios Territoriales* XLVII(188): 249–260.

Blanco I, Griggs S and Sullivan H (2014) Situating the local in the neoliberalisation and transformation of urban governance. *Urban Studies* 51(15): 3129–3146.

Brenner N and Schmid C (2015) Towards a new epistemology of the urban? *City* 19(2–3): 151–182.

Castree N (2006) From neoliberalism to neoliberalisation: Consolations, confusions, and necessary illusions. *Environment and Planning A* 38(1): 1–6.

Crouch C (2011) *The Strange Non-death of Neoliberalism*. Cambridge: Polity Press.

Davies JS (2003) Partnerships versus regimes: Why regime theory cannot explain urban coalitions in the UK. *Journal of Urban Affairs* 25(3): 253–269.

Davies JS (2011) *Challenging Governance Theory: From Networks to Hegemony*. Bristol: The Policy Press.

Davies JS (2012) Network governance theory: A Gramscian critique. *Environment and Planning A* 44(11): 2687–2704.

Davies J S. (2014) Coercive cities: Reflections on the dark side of urban power in the 21st century. *Journal of Urban Affairs* 36(S2): 590–599.

Davies JS and Thompson E (2016) Austerity realism and the governance of Leicester. In: Bevir M and Rhodes RAW (eds) *Rethinking governance: Ruling, rationalities and resistance*. Oxon: Routledge, pp. 144–161.

Dean M (2014) Rethinking neoliberalism. *Journal of Sociology* 50(2): 150–163.

De la Fuente R (2015) Crisis, austeridad y experiencias urbanas: Una aproximación a los casos de Madrid y Barcelona. *Quid 16. Revista del Área de Estudios Urbanos* 5: 121–136.

De Weerdt J and Garcia MS (2016) Housing crisis: The platform of mortgage victims (PAH) movement in Barcelona and innovations in governance. *Journal of Housing and Built Environment* 31(3): 471–493.

Dikeç M and Swyngedouw E (2017) Theorizing the politicizing city. *International Journal of Urban and Regional Research*. Epub ahead of print 29 January 2017. DOI: 10.1111/1468-2427.12388.

Ferguson J (2010) The uses of neoliberalism. *Antipode* 46(S1): 166–184.

Gallego R and Subirats J (2012) Spanish and regional welfare systems: Policy innovation and multi-level governance. *Regional and Federal Studies* 22(3): 269–288.

Geddes M, Davies JS and Fuller C (2007) Evaluating local strategic partnerships: Theory and practice of change. *Local Government Studies* 33(1): 97–116.

Gibson-Graham JK (2006 [1996]) *The End of Capitalism (as we knew it): A Feminist Critique of Political Economy*, 2nd ed. Minneapolis: University of Minnesota Press.

Gregory L (2015) *Trading Time: Can Exchange Lead to Social Change?* Bristol: Policy Press.

Hayter R and Barnes TJ (2012) Neoliberalization and its geographic limits: Comparative reflections from forest peripheries in the global north. *Economic Geography* 88(2): 197–221.

Jessop B (2002) Liberalism, neoliberalism, and urban governance: A state theoretical perspective. *Antipode* 34(3): 452–472.

Lawless P (1994) Partnership in urban regeneration in the UK: The Sheffield central area study. *Urban Studies* 31(8): 1303–1324.

Le Gales P (2016) Neoliberalism and urban change: Stretching a good idea too far? *Territory, Politics, Governance* 4(2): 154–172.

Leitner H, Peck J and Sheppard E (eds) (2007) *Contesting Neoliberalism: Urban Frontiers*. New York, NY: Guildford Press.

Lowndes V and McCaughey K (2013) Weathering the perfect storm? Austerity and institutional resilience in English local governance. *Policy & Politics* 41(4): 553–549.

Magnusson (1985) Urban politics and the local state. *Studies in Political Economy* 16: 111–142.

Mayer M (2016) Whose city? from Ray Pahl's critique of the Keynesian city to the contestations around neoliberal urbanism. *The Sociological Review*. Epub ahead of print 21 September 2016. DOI: 10.1111/1467-954X.12414.

Parés M, Martí-Costa M and Blanco I (2014) Geographies of governance: How place matters in urban regeneration policies. *Urban Studies* 51(15): 3250–3267.

Peck J (2012) Austerity urbanism. *City: Analysis of Urban Trends, Culture, Theory, Policy* 16(1): 626–655.

Peck J, Theodore N and Brenner N (2013) Neoliberal urbanism redux? *International Journal of Urban and Regional Research* 37(3): 1091–1099.

Peck J and Tickell A (2002) Neoliberalizing space. In: Brenner N and Theodore N (eds) *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*. Chichester: Wiley, pp. 33–57.

Pill M and Guarneros-Meza V (2017) Local governance under austerity: Hybrid organizations and hybrid officers. *Policy & Politics*. In press.

Robinson J (2011) Cities in a world of cities: The comparative gesture. *International Journal of Urban and Regional Research* 35(1): 1–23.

Standard and Poor's (2014) *Research update: Spain's autonomous community of the Basque Country 'A-' rating affirmed; Outlook Remains Stable*. Available at: <http://www.ogasun.ejgv.euskadi.eus/conte>

nidos/informacion/7071/es_2333/adjuntos/BasqueCountry_ResearchUpdate_2014Dec12.pdf (accessed February 2016).

Stoker G (2004) *Transforming Local Governance: from Thatcherism to New Labour*. Basingstoke: Palgrave.

Stone CN (1989) *Regime Politics: Governing Atlanta 1946–1988*. Lawrence: University of Kansas Press.

Stone CN (2009) Who is governed? Local citizens and the political order of cities. In: Davies JS and Imbroscio DL (eds) *Theories of Urban Politics*, 2nd ed. London: Sage, pp. 257–273.

Stone CN (2015) Reflections on regime politics: From governing coalition to urban political order. *Urban Affairs Review* 51(1): 101–137.

Streeck W (2011) The crises of democratic capitalism. *New Left Review* 71: 5–29.

Streeck W and Mertens D (2013) Public finance and the decline of state capacity in democratic capitalism. In: Schäfer A and Streeck W (eds) *Politics in the Age of Austerity*. Cambridge: Polity Press, pp. 25–58.

Varro K (2015) Making (more) sense of political-economic geographies of continuity and change: Dialoguing across ontological divides. *Progress in Human Geography* 39(1): 26–46.

Walliser A (2013) New urban activisms in Spain: Reclaiming public space in the face of crises. *Policy & Politics* 41(3): 329–350.

Ward K (2010) Towards a relational comparative approach to the study of cities. *Progress in Human Geography* 34(4): 471–487.